

ANNEX

PROBLEMS

1. The proposed system makes an invalid assumption, that it is possible to determine several months in advance that there will or will not be unused ceiling that can be redistributed.
2. The incentive to managers is to staff up to ceiling as fast as possible (to protect against its loss) and to bring 1979 ceiling into use as fast as possible (because it might not be available in 1979 if there are ceiling cuts by OMB and/or Congress.)
3. The time phasing of expansions and reductions will be hard to plot, therefore we can be in error on the determination that there is unused ceiling, on how much, and on when it will be available.
4. The whole structure of administration of positions, promotions, average grade is geared to allocation of ceiling. If we shift to an informal ceiling system, personnel administration becomes more costly and time-consuming.
5. The system implies intervening in the timing of EODs. During the partial hiring freeze, such intervention created delays in some EODs that resulted in the loss of good applicants. The efficiency of the staffing process will be reduced.

6. The system creates too many uncertainties for managers, personnel officers, and applicants.